

# State of Delaware - FY23 Budget

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*It is probable that the COVID-19 pandemic will have an impact on health care costs. In performing this analysis to develop health care cost estimates for GHIP, we have not explicitly reflected adjustments due to the impact of COVID-19. Due to the high degree of uncertainty associated with this pandemic, results may vary from the estimates provided.*

November 2022

**WillisTowers Watson** 

Proprietary and Confidential

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State of Delaware  
 FY23 Budget<sup>1</sup>  
 November 2022

Estimated FY 2023 as of November 2022 <sup>1</sup>		
<b>Balance Forward<sup>2</sup></b>	\$	157,161,986
<b>Operating Revenues</b>		
Premium Contributions		
Highmark	\$	709,961,274 65.30%
Aetna	\$	198,334,690 18.24%
Total Premium Contributions	\$	908,295,964
Other Revenues		
Medicare Retiree Prescription Subsidy Program (EGWP) <sup>3</sup>	\$	(1,339,716) -0.12%
Federal Reinsurance <sup>4</sup>	\$	24,248,903 2.23%
Prescription Drug Rebates - Commercial <sup>4</sup>	\$	66,138,646 6.08%
Prescription Drug Rebates - EGWP <sup>4</sup>	\$	53,265,949 4.90%
Prescription True Up/Yr End Recon Pymts <sup>5</sup>	\$	6,099,307 0.56%
Medicare Part D - Coverage Gap Discount <sup>3</sup>	\$	23,973,729 2.20%
Participating Group Fees <sup>6</sup>	\$	6,595,973 0.61%
Other Revenues	\$	- 0.00%
Total Other Revenues	\$	178,982,791
<b>Total Operating Revenues</b>	<b>\$</b>	<b>1,087,278,754</b>
<b>Operating Expenses</b>		
Claims <sup>7</sup>		
Highmark	\$	565,629,674 49.11%
Aetna	\$	176,170,037 15.30%
CVS (non-Plan D)	\$	190,361,148 16.53%
Express Scripts/CVS (Plan D)	\$	173,836,687 15.09%
Total Claims	\$	1,105,997,547
Other Expenses		
Program Fees and Costs (Vendor ASO Fees)	\$	39,455,391 3.43%
Office Expenses	\$	3,284,809 0.29%
Employee Assistance	\$	487,148 0.04%
Data Warehouse	\$	596,112 0.05%
Consultant Fees	\$	1,500,000 0.13%
COBRA Fees	\$	111,013 0.01%
ACA Fees	\$	342,211 0.03%
Total Other Expenses	\$	45,776,683
<b>Total Operating Expenses</b>	<b>\$</b>	<b>1,151,774,230</b>
<b>Net Income</b>	<b>\$</b>	<b>(64,495,476)</b>
<b>Fund Equity Balance</b>	<b>\$</b>	<b>92,666,510</b>
Claim Liability	\$	68,200,000
Minimum Reserve	\$	27,200,000
<b>GHIP Surplus (After Reserves)</b>	<b>\$</b>	<b>(2,733,490)</b>
<b>WTW Budget (\$M)<sup>8</sup></b>	<b>\$</b>	<b>970.9</b>
<b>Average Members</b>		131,442

<sup>1</sup> Based on claims experience for the period 7/1/2021 - 6/30/2022; headcounts reflect June 2022 with 1% assumed annual growth during FY23; 5% medical and 8% Rx trend; EGWP revenues and prescription drug rebates based on the period revenues will be paid; budget assumes Medicaid plan (medical and Rx) will remain in effect through 6/30/2023 with funding at CY22 premium rates based on October SEBC vote

<sup>2</sup> Balance Forward reflects actual balance as of June 2022 Fund Equity Report

<sup>3</sup> EGWP revenue reflects actual revenues received through June 2022; remaining revenues through CY22 and CY23 based on projected PMPM

<sup>4</sup> FY23 rebates based on when rebates will be received by GHIP; assumes 60 day lag on CVS rebate payments

<sup>5</sup> Reflects CY21 federal reinsurance true-up payment expected to be received in January 2023

<sup>6</sup> Participating Group Fees shown for FY23 are estimated based on FY22 fees and assumed FY23 headcounts and premiums

<sup>7</sup> FY23 projected claims reflect pharmacy contract savings as a result of PBM award to CVS Health

<sup>8</sup> WTW Budget represents the FY23 projected expenses based on assumptions approved by the SEBC, updated with claims and enrollment data through June 2022; WTW Budget equals total operating expenses, less ACA and consultant fees, less total other revenues

Note: It is evident that the COVID-19 pandemic will have an impact on health care costs. We have used available information and reasonable estimation techniques to develop health care cost estimates for the GHIP that reflect the impact of COVID-19. However due to the high degree of uncertainty associated with this pandemic, results may vary from the estimates provided.

State of Delaware  
 FY23 Budget - Monthly<sup>1</sup>  
 November 2022

Operating Revenues	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
<b>Premium Contributions</b>													
Highmark	\$ 59,409,842	\$ 59,409,842	\$ 59,409,842	\$ 59,409,842	\$ 59,409,842	\$ 59,409,842	\$ 58,917,037	\$ 58,917,037	\$ 58,917,037	\$ 58,917,037	\$ 58,917,037	\$ 58,917,037	\$ 709,961,274
Aetna	\$ 16,527,891	\$ 16,527,891	\$ 16,527,891	\$ 16,527,891	\$ 16,527,891	\$ 16,527,891	\$ 16,527,891	\$ 16,527,891	\$ 16,527,891	\$ 16,527,891	\$ 16,527,891	\$ 16,527,891	\$ 198,334,690
<b>Total Premium Contributions</b>	\$ 75,937,733	\$ 75,937,733	\$ 75,937,733	\$ 75,937,733	\$ 75,937,733	\$ 75,937,733	\$ 75,444,928	\$ 75,444,928	\$ 75,444,928	\$ 75,444,928	\$ 75,444,928	\$ 75,444,928	\$ 908,295,964
<b>Other Revenues</b>													
Medicare Retiree Prescription Subsidy Program (EGWP) <sup>2</sup>	\$ 94,588	\$ (112,260)	\$ (112,260)	\$ (112,539)	\$ (112,539)	\$ (112,539)	\$ (145,181)	\$ (145,181)	\$ (145,181)	\$ (145,542)	\$ (145,542)	\$ (145,542)	\$ (1,339,716)
Federal Reinsurance <sup>2</sup>	\$ 1,843,302	\$ 1,843,302	\$ 1,843,302	\$ 1,847,893	\$ 1,847,893	\$ 1,847,893	\$ 2,193,155	\$ 2,193,155	\$ 2,193,155	\$ 2,198,618	\$ 2,198,618	\$ 2,198,618	\$ 24,248,903
Prescription Drug Rebates - Commercial <sup>3</sup>	\$ -	\$ 16,177,816	\$ -	\$ -	\$ 16,030,714	\$ -	\$ -	\$ 16,480,082	\$ -	\$ -	\$ -	\$ -	\$ 66,138,646
Prescription Drug Rebates - EGWP <sup>3</sup>	\$ -	\$ 13,062,611	\$ -	\$ -	\$ 12,999,928	\$ -	\$ -	\$ 13,295,702	\$ -	\$ -	\$ -	\$ 13,907,708	\$ 53,265,949
Prescription True Up / Yr End Recon Pymts <sup>4</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,099,307	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,099,307
Medicare Part D - Coverage Gap Discount <sup>2</sup>	\$ -	\$ -	\$ -	\$ -	\$ 6,903,773	\$ -	\$ 7,596,216	\$ -	\$ -	\$ 9,473,740	\$ -	\$ -	\$ 23,973,729
Participating Group Fees <sup>5</sup>	\$ 547,615	\$ 547,615	\$ 547,615	\$ 548,979	\$ 548,979	\$ 548,979	\$ 550,346	\$ 550,346	\$ 550,346	\$ 551,717	\$ 551,717	\$ 551,717	\$ 6,595,973
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Other Revenues</b>	\$ 2,485,505	\$ 31,519,084	\$ 2,278,657	\$ 2,284,333	\$ 38,218,747	\$ 2,284,333	\$ 16,293,844	\$ 32,374,105	\$ 2,598,321	\$ 12,078,533	\$ 33,962,535	\$ 2,604,793	\$ 178,982,791
<b>Total Operating Revenues</b>	\$ 78,423,238	\$ 107,456,817	\$ 78,216,390	\$ 78,222,066	\$ 114,156,480	\$ 78,222,066	\$ 91,738,772	\$ 107,819,033	\$ 78,043,249	\$ 87,523,460	\$ 109,407,463	\$ 78,049,721	\$ 1,087,278,754
<b>Operating Expenses</b>													
<b>Claims<sup>6</sup></b>													
Highmark	\$ 37,837,642	\$ 47,287,052	\$ 37,837,642	\$ 39,179,876	\$ 48,974,846	\$ 39,179,876	\$ 59,629,778	\$ 47,703,823	\$ 47,703,823	\$ 49,318,558	\$ 61,648,199	\$ 49,318,558	\$ 565,629,674
Aetna	\$ 15,483,248	\$ 12,386,598	\$ 15,483,248	\$ 12,825,994	\$ 12,825,994	\$ 16,032,493	\$ 13,756,077	\$ 17,195,097	\$ 17,195,097	\$ 14,284,680	\$ 14,284,680	\$ 17,855,850	\$ 176,170,037
CVS (non-Plan D)	\$ 14,633,695	\$ 14,633,695	\$ 14,633,695	\$ 15,336,154	\$ 15,336,154	\$ 15,336,154	\$ 16,554,242	\$ 16,554,242	\$ 16,554,242	\$ 16,929,626	\$ 16,929,626	\$ 16,929,626	\$ 190,361,148
Express Scripts/ CVS (Plan D)	\$ 13,449,262	\$ 13,449,262	\$ 13,449,262	\$ 14,022,477	\$ 14,022,477	\$ 14,022,477	\$ 15,011,068	\$ 15,011,068	\$ 15,011,068	\$ 15,462,755	\$ 15,462,755	\$ 15,462,755	\$ 173,836,687
<b>Total Claims</b>	\$ 81,403,847	\$ 87,766,608	\$ 81,403,847	\$ 81,364,502	\$ 91,159,471	\$ 84,571,000	\$ 104,951,165	\$ 93,025,209	\$ 96,464,229	\$ 95,995,620	\$ 108,325,260	\$ 99,566,790	\$ 1,105,997,547
<b>Other Expenses</b>													
Program Fees and Costs (Vendor ASO Fees)	\$ 3,264,746	\$ 3,264,746	\$ 3,264,746	\$ 3,271,591	\$ 3,271,591	\$ 3,271,591	\$ 3,304,291	\$ 3,304,291	\$ 3,304,291	\$ 3,311,169	\$ 3,311,169	\$ 3,311,169	\$ 39,455,391
Office Expenses	\$ 273,734	\$ 273,734	\$ 273,734	\$ 273,734	\$ 273,734	\$ 273,734	\$ 273,734	\$ 273,734	\$ 273,734	\$ 273,734	\$ 273,734	\$ 273,734	\$ 3,284,809
Employee Assistance	\$ 40,596	\$ 40,596	\$ 40,596	\$ 40,596	\$ 40,596	\$ 40,596	\$ 40,596	\$ 40,596	\$ 40,596	\$ 40,596	\$ 40,596	\$ 40,596	\$ 487,148
Data Warehouse	\$ 49,676	\$ 49,676	\$ 49,676	\$ 49,676	\$ 49,676	\$ 49,676	\$ 49,676	\$ 49,676	\$ 49,676	\$ 49,676	\$ 49,676	\$ 49,676	\$ 596,112
Consultant Fees	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 1,500,000
COBRA Fees	\$ 9,251	\$ 9,251	\$ 9,251	\$ 9,251	\$ 9,251	\$ 9,251	\$ 9,251	\$ 9,251	\$ 9,251	\$ 9,251	\$ 9,251	\$ 9,251	\$ 111,013
ACA Fees	\$ 342,211	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 342,211
<b>Total Other Expenses</b>	\$ 4,105,214	\$ 3,763,003	\$ 3,763,003	\$ 3,769,847	\$ 3,769,847	\$ 3,769,847	\$ 3,802,548	\$ 3,802,548	\$ 3,802,548	\$ 3,809,426	\$ 3,809,426	\$ 3,809,426	\$ 45,776,683
<b>Total Operating Expenses</b>	\$ 85,509,061	\$ 91,529,611	\$ 85,166,850	\$ 85,134,349	\$ 94,929,318	\$ 88,340,848	\$ 108,753,713	\$ 96,827,757	\$ 100,266,776	\$ 99,805,046	\$ 112,134,686	\$ 103,376,216	\$ 1,151,774,230
<b>Net Income</b>	<b>(\$7,085,823)</b>	<b>\$15,927,207</b>	<b>(\$6,950,460)</b>	<b>(\$6,912,283)</b>	<b>\$19,227,162</b>	<b>(\$10,118,782)</b>	<b>(\$17,014,941)</b>	<b>\$10,991,276</b>	<b>(\$22,223,528)</b>	<b>(\$12,281,586)</b>	<b>(\$2,727,223)</b>	<b>(\$25,326,496)</b>	<b>(\$64,495,476)</b>
Amount Carried Forward <sup>7</sup>	\$ 157,161,986	\$ 150,076,163	\$ 166,003,370	\$ 159,052,910	\$ 152,140,627	\$ 171,367,789	\$ 161,249,007	\$ 144,234,067	\$ 155,225,342	\$ 133,001,815	\$ 120,720,229	\$ 117,993,006	\$ 157,161,986
<b>Fund Equity Balance</b>	\$ 150,076,163	\$ 166,003,370	\$ 159,052,910	\$ 152,140,627	\$ 171,367,789	\$ 161,249,007	\$ 144,234,067	\$ 155,225,342	\$ 133,001,815	\$ 120,720,229	\$ 117,993,006	\$ 92,666,510	\$ 92,666,510
<b>GHIP Surplus (After Reserves)</b>	<b>\$54,676,163</b>	<b>\$70,603,370</b>	<b>\$63,652,910</b>	<b>\$56,740,627</b>	<b>\$75,967,789</b>	<b>\$65,849,007</b>	<b>\$48,834,067</b>	<b>\$59,825,342</b>	<b>\$37,601,815</b>	<b>\$25,320,229</b>	<b>\$22,593,006</b>	<b>(\$2,733,490)</b>	<b>(\$2,733,490)</b>

<sup>1</sup> Based on claims experience for the period 7/1/2021 - 6/30/2022; headcounts reflect June 2022 with 1% assumed annual growth during FY23; 5% medical and 8% Rx trend; EGWP revenues and prescription drug rebates based on the period revenues will be paid; budget assumes Medicaid plan (medical and Rx) will remain in effect through 6/30/2023 with funding at CY22 premium rates based on October SEBC vote

<sup>2</sup> EGWP revenue reflects actual revenues received through June 2022; remaining revenues through CY22 and CY23 based on projected PMPM payments provided by CVS

<sup>3</sup> FY23 rebates based on when rebates will be received by GHIP; assumes 60 day lag on CVS rebate payments

<sup>4</sup> Reflects CY21 federal reinsurance true-up payment expected to be received in January 2023

<sup>5</sup> Participating Group Fees shown for FY23 are estimated based on FY22 fees and assumed FY23 headcounts and premiums

<sup>6</sup> FY23 projected claims reflect pharmacy contract savings as a result of PBM award to CVS Health

<sup>7</sup> Balance Forward reflects actual balance as of June 2022 Fund Equity Report

Note: It is evident that the COVID-19 pandemic will have an impact on health care costs. We have used available information and reasonable estimation techniques to develop health care cost estimates for the GHIP that reflect the impact of COVID-19. However due to the high degree of uncertainty associated with this pandemic, results may vary from the estimates provided.

State of Delaware  
 FY23 Budget - YTD<sup>1</sup>  
 November 2022

Operating Revenues	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
<b>Premium Contributions</b>													
Highmark	\$ 59,409,842	\$ 118,819,684	\$ 178,229,526	\$ 237,639,369	\$ 297,049,211	\$ 356,459,053	\$ 415,376,090	\$ 474,293,126	\$ 533,210,163	\$ 592,127,200	\$ 651,044,237	\$ 709,961,274	\$ 709,961,274
Aetna	\$ 16,527,891	\$ 33,055,782	\$ 49,583,673	\$ 66,111,563	\$ 82,639,454	\$ 99,167,345	\$ 115,695,236	\$ 132,223,127	\$ 148,751,018	\$ 165,278,909	\$ 181,806,799	\$ 198,334,690	\$ 198,334,690
Total Premium Contributions	\$ 75,937,733	\$ 151,875,466	\$ 227,813,199	\$ 303,750,932	\$ 379,688,665	\$ 455,626,398	\$ 531,071,326	\$ 606,516,253	\$ 681,961,181	\$ 757,406,109	\$ 832,851,036	\$ 908,295,964	\$ 908,295,964
<b>Other Revenues</b>													
Medicare Retiree Prescription Subsidy Program (EGWP) <sup>2</sup>	\$ 94,588	\$ (17,671)	\$ (129,931)	\$ (242,470)	\$ (355,009)	\$ (467,548)	\$ (612,729)	\$ (757,909)	\$ (903,090)	\$ (1,048,632)	\$ (1,194,174)	\$ (1,339,716)	\$ (1,339,716)
Federal Reinsurance <sup>3</sup>	\$ 1,843,302	\$ 3,686,603	\$ 5,529,905	\$ 7,377,798	\$ 9,225,690	\$ 11,073,583	\$ 13,266,739	\$ 15,459,894	\$ 17,653,049	\$ 19,851,667	\$ 22,050,285	\$ 24,248,903	\$ 24,248,903
Prescription Drug Rebates - Commercial <sup>3</sup>	\$ -	\$ 16,177,816	\$ 16,177,816	\$ 16,177,816	\$ 32,208,530	\$ 32,208,530	\$ 32,208,530	\$ 48,688,612	\$ 48,688,612	\$ 48,688,612	\$ 66,138,646	\$ 66,138,646	\$ 66,138,646
Prescription Drug Rebates - EGWP <sup>3</sup>	\$ -	\$ 13,062,611	\$ 13,062,611	\$ 13,062,611	\$ 26,062,538	\$ 26,062,538	\$ 26,062,538	\$ 39,358,240	\$ 39,358,240	\$ 39,358,240	\$ 53,265,949	\$ 53,265,949	\$ 53,265,949
Prescription True Up / Yr End Recon Pymts <sup>4</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,099,307	\$ 6,099,307	\$ 6,099,307	\$ 6,099,307	\$ 6,099,307	\$ 6,099,307
Medicare Part D - Coverage Gap Discount <sup>5</sup>	\$ -	\$ -	\$ -	\$ -	\$ 6,903,773	\$ 6,903,773	\$ 14,499,989	\$ 14,499,989	\$ 14,499,989	\$ 23,973,729	\$ 23,973,729	\$ 23,973,729	\$ 23,973,729
Participating Group Fees <sup>6</sup>	\$ 547,615	\$ 1,095,230	\$ 1,642,845	\$ 2,191,824	\$ 2,740,803	\$ 3,289,782	\$ 3,840,129	\$ 4,390,475	\$ 4,940,822	\$ 5,492,539	\$ 6,044,256	\$ 6,595,973	\$ 6,595,973
Other Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Other Revenues	\$ 2,485,505	\$ 34,004,589	\$ 36,283,247	\$ 38,567,579	\$ 76,786,326	\$ 79,070,659	\$ 95,364,503	\$ 127,738,609	\$ 130,336,930	\$ 142,415,463	\$ 176,377,998	\$ 178,982,791	\$ 178,982,791
<b>Total Operating Revenues</b>	<b>\$ 78,423,238</b>	<b>\$ 185,880,055</b>	<b>\$ 264,096,446</b>	<b>\$ 342,318,511</b>	<b>\$ 456,474,991</b>	<b>\$ 534,697,057</b>	<b>\$ 626,435,829</b>	<b>\$ 734,254,862</b>	<b>\$ 812,298,111</b>	<b>\$ 899,821,571</b>	<b>\$ 1,009,229,034</b>	<b>\$ 1,087,278,754</b>	<b>\$ 1,087,278,754</b>
<b>Operating Expenses</b>													
<b>Claims<sup>7</sup></b>													
Highmark	\$ 37,837,642	\$ 85,134,694	\$ 122,972,335	\$ 162,152,212	\$ 211,127,057	\$ 250,306,934	\$ 309,936,712	\$ 357,640,535	\$ 405,344,358	\$ 454,662,916	\$ 516,311,115	\$ 565,629,674	\$ 565,629,674
Aetna	\$ 15,483,248	\$ 27,869,846	\$ 43,353,093	\$ 56,179,088	\$ 69,005,082	\$ 85,037,575	\$ 98,793,653	\$ 112,549,730	\$ 129,744,827	\$ 144,029,570	\$ 158,314,187	\$ 176,170,037	\$ 176,170,037
CVS (non-Plan D)	\$ 14,633,695	\$ 29,267,391	\$ 43,901,086	\$ 59,237,239	\$ 74,573,393	\$ 89,909,546	\$ 106,463,788	\$ 123,018,030	\$ 139,572,272	\$ 156,501,897	\$ 173,431,523	\$ 190,361,148	\$ 190,361,148
Express Scripts/CVS (Plan D)	\$ 13,449,262	\$ 26,898,524	\$ 40,347,787	\$ 54,370,264	\$ 68,392,741	\$ 82,415,218	\$ 97,426,286	\$ 112,437,353	\$ 127,448,421	\$ 142,911,176	\$ 158,373,932	\$ 173,836,687	\$ 173,836,687
Total Claims	\$ 81,403,847	\$ 169,170,454	\$ 250,574,301	\$ 331,938,803	\$ 423,098,273	\$ 507,669,274	\$ 612,620,439	\$ 705,645,648	\$ 802,109,877	\$ 898,105,497	\$ 1,006,430,757	\$ 1,105,997,547	\$ 1,105,997,547
<b>Other Expenses</b>													
Program Fees and Costs (Vendor ASO Fees)	\$ 3,264,746	\$ 6,529,492	\$ 9,794,239	\$ 13,065,829	\$ 16,337,420	\$ 19,609,010	\$ 22,913,301	\$ 26,217,592	\$ 29,521,883	\$ 32,833,052	\$ 36,144,222	\$ 39,455,391	\$ 39,455,391
Office Expenses	\$ 273,734	\$ 547,468	\$ 821,202	\$ 1,094,936	\$ 1,368,671	\$ 1,642,405	\$ 1,916,139	\$ 2,189,873	\$ 2,463,607	\$ 2,737,341	\$ 3,011,075	\$ 3,284,809	\$ 3,284,809
Employee Assistance	\$ 40,596	\$ 81,191	\$ 121,787	\$ 162,383	\$ 202,978	\$ 243,574	\$ 284,169	\$ 324,765	\$ 365,361	\$ 405,956	\$ 446,552	\$ 487,148	\$ 487,148
Data Warehouse	\$ 49,676	\$ 99,352	\$ 149,028	\$ 198,704	\$ 248,380	\$ 298,056	\$ 347,732	\$ 397,408	\$ 447,084	\$ 496,760	\$ 546,436	\$ 596,112	\$ 596,112
Consultant Fees	\$ 125,000	\$ 250,000	\$ 375,000	\$ 500,000	\$ 625,000	\$ 750,000	\$ 875,000	\$ 1,000,000	\$ 1,125,000	\$ 1,250,000	\$ 1,375,000	\$ 1,500,000	\$ 1,500,000
COBRA Fees	\$ 9,251	\$ 18,502	\$ 27,753	\$ 37,004	\$ 46,255	\$ 55,506	\$ 64,757	\$ 74,008	\$ 83,259	\$ 92,510	\$ 101,761	\$ 111,013	\$ 111,013
ACA Fees	\$ 342,211	\$ 342,211	\$ 342,211	\$ 342,211	\$ 342,211	\$ 342,211	\$ 342,211	\$ 342,211	\$ 342,211	\$ 342,211	\$ 342,211	\$ 342,211	\$ 342,211
Total Other Expenses	\$ 4,105,214	\$ 7,868,217	\$ 11,631,220	\$ 15,401,067	\$ 19,170,915	\$ 22,940,762	\$ 26,743,310	\$ 30,545,857	\$ 34,348,405	\$ 38,157,831	\$ 41,967,257	\$ 45,776,683	\$ 45,776,683
<b>Total Operating Expenses</b>	<b>\$ 85,509,061</b>	<b>\$ 177,038,671</b>	<b>\$ 262,205,521</b>	<b>\$ 347,339,870</b>	<b>\$ 442,269,188</b>	<b>\$ 530,610,036</b>	<b>\$ 639,363,749</b>	<b>\$ 736,191,506</b>	<b>\$ 836,458,282</b>	<b>\$ 936,263,328</b>	<b>\$ 1,048,398,014</b>	<b>\$ 1,151,774,230</b>	<b>\$ 1,151,774,230</b>
<b>Net Income</b>	<b>\$ (7,085,823)</b>	<b>\$ 8,841,384</b>	<b>\$ 1,890,924</b>	<b>\$ (5,021,359)</b>	<b>\$ 14,205,803</b>	<b>\$ 4,087,021</b>	<b>\$ (12,927,919)</b>	<b>\$ (1,936,644)</b>	<b>\$ (24,160,171)</b>	<b>\$ (36,441,757)</b>	<b>\$ (39,168,980)</b>	<b>\$ (64,495,476)</b>	<b>\$ (64,495,476)</b>
Amount Carried Forward <sup>8</sup>	\$ 157,161,986	\$ 157,161,986	\$ 157,161,986	\$ 157,161,986	\$ 157,161,986	\$ 157,161,986	\$ 157,161,986	\$ 157,161,986	\$ 157,161,986	\$ 157,161,986	\$ 157,161,986	\$ 157,161,986	\$ 157,161,986
<b>Fund Equity Balance</b>	<b>\$ 150,076,163</b>	<b>\$ 166,003,370</b>	<b>\$ 159,052,910</b>	<b>\$ 152,140,627</b>	<b>\$ 171,367,789</b>	<b>\$ 161,249,007</b>	<b>\$ 144,234,067</b>	<b>\$ 155,225,342</b>	<b>\$ 133,001,815</b>	<b>\$ 120,720,229</b>	<b>\$ 117,993,006</b>	<b>\$ 92,666,510</b>	<b>\$ 92,666,510</b>
<b>GHIP Surplus (After Reserves)</b>	<b>\$54,676,163</b>	<b>\$70,603,370</b>	<b>\$63,652,910</b>	<b>\$56,740,627</b>	<b>\$75,967,789</b>	<b>\$65,849,007</b>	<b>\$48,834,067</b>	<b>\$59,825,342</b>	<b>\$37,601,815</b>	<b>\$25,320,229</b>	<b>\$22,593,006</b>	<b>(\$2,733,490)</b>	<b>(\$2,733,490)</b>

<sup>1</sup> Based on claims experience for the period 7/1/2021 - 6/30/2022; headcounts reflect June 2022 with 1% assumed annual growth during FY23; 5% medical and 8% Rx trend; EGWP revenues and prescription drug rebates based on the period revenues will be paid; budget assumes Medicfill plan (medical and Rx) will remain in effect through 6/30/2023 with funding at CY22 premium rates based on October SEBC vote  
<sup>2</sup> EGWP revenue reflects actual revenues received through June 2022; remaining revenues through CY22 and CY23 based on projected PMPM payments provided by CVS  
<sup>3</sup> FY23 rebates based on when rebates will be received by GHIP; assumes 60 day lag on CVS rebate payments  
<sup>4</sup> Reflects CY21 federal reinsurance true-up payment expected to be received in January 2023  
<sup>5</sup> Participating Group Fees shown for FY23 are estimated based on FY22 fees and assumed FY23 headcounts and premiums  
<sup>6</sup> FY23 projected claims reflect pharmacy contract savings as a result of PBM award to CVS Health  
<sup>7</sup> Balance Forward reflects actual balance as of June 2022 Fund Equity Report

Note: It is evident that the COVID-19 pandemic will have an impact on health care costs. We have used available information and reasonable estimation techniques to develop health care cost estimates for the GHIP that reflect the impact of COVID-19. However due to the high degree of uncertainty associated with this pandemic, results may vary from the estimates provided.